

STATE OF INDIANA)
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

CAUSE NUMBER: 11062-CO12-0314-006

IN THE MATTER OF:

Disaster Adjusting and Appraisal Services LLC)
10866 McKinley Hwy)
Osceola, IN 46561)

William ("Bill") J. Watterud)
1410 Navajo St.)
Elkhart, IN 46516)
License No.: 749495 (Probationary Status))

James E. Kalka, Jr.)
113 North Oak Street)
Osceola, IN 46561)
License No.: 391220)

Brian Burgess)
7303 Poplar Dr.)
Charlestown, IN 47111)

Type of Action: Enforcement)

FILED

MAR 15 2012

STATE OF INDIANA
DEPT. OF INSURANCE

ORDER GRANTING

EMERGENCY CEASE AND DESIST ORDER

The Commissioner of the Indiana Department of Insurance ("Commissioner"), having reviewed the Enforcement Division's Motion for Emergency Cease and Desist Order, and being otherwise duly advised, now finds as follows:

FINDINGS OF FACT

1. The Department of Insurance ("Department") is authorized to regulate the practice of insurers in Indiana under Indiana Code 27-1 et seq.

2. Respondent Disaster Adjusting and Appraisal Services ("Disaster Adjusting") is not now, nor has it ever been, certified, authorized, licensed or registered by the Department to transact any kind of insurance business or public adjuster services whatsoever.

3. Respondent Brian Burgess held himself out as an agent or representative of Disaster Adjusting to Department Investigators David Cuthbert and Ronda Ankney.

4. Burgess is not now, nor has he ever been, certified, authorized, licensed or registered by the Department to transact any kind of insurance business or public adjuster services whatsoever.

5. Burgess provided Department Investigators David Cuthbert and Ronda Ankney advertising material for Disaster Adjusting that included the following representations:

"LICENSED BY THE DEPARTMENT OF INSURANCE," and

"Resident of Henryville";

(See Exhibit A, Attached to this Order).

6. Respondent Bill Watterud holds a resident certificate of authority to act as a Public Adjuster (License No. 749495 – Probationary Status), and he is the owner of, and registered agent for, Disaster Adjusting.

7. Respondent James Kalka holds a resident certificate of authority to act as a Public Adjuster (License No. 391220), and he is an agent of Disaster Adjusting despite not having renewed his surety bond as required by Ind. Code § 27-1-27-4.

8. Neither Watterud nor Kalka are named or referenced on the Disaster Adjusting advertisement.

9. Upon information and belief, Burgess, Watterud, Kalka, and Disaster Adjusting are not "residents" of Henryville, Indiana.

CONCLUSIONS OF LAW

10. Respondents Watterud and Kalka are certified public adjusters and subject to the jurisdiction of the Department.

11. Respondents Burgess and Disaster Adjusting are acting as "public adjusters" as defined at IC 27-1-27-1 because each is advertising, soliciting business, and/or holding themselves out to the public as adjusters of claims.

12. An emergency exists in that Respondent Disaster Adjusting and its agents continue to act as Public Adjusters in Indiana without being properly certified by the Department.

13. An emergency exists in that Respondent Disaster Adjusting and its agents continue to solicit public adjuster business in a false or misleading manner.

14. Respondent Disaster Adjusting and its agents have disseminated or caused to be disseminated false and misleading advertising in violation of Ind. Code § 27-1-27-7(b)(1).

15. Respondent Kalka, as an employee of or independent contractor for Disaster Adjusting, is acting as a Certified Public Adjuster despite not having filed with the Commissioner the surety bond required by Ind. Code § 27-1-27-4.

16. In an emergency, the Commissioner may issue appropriate orders without notice or an evidentiary proceeding under Ind. Code § 4-21.5-4-2(a). Such an action is appropriate under these circumstances.

ORDER

It is, therefore, ORDERED, that Respondents must CEASE AND DESIST from (1) transacting or soliciting any insurance business in Indiana, (2) performing public adjuster services unless and until Disaster Adjusting obtains the required certificate of authority issued by the Commissioner and corresponding surety bond pursuant to Ind. Code § 27-1-27 et seq., (3) advertising their services in a false or misleading manner, or (4) otherwise violating in any way the insurance laws of Indiana.

Pursuant to Ind. Code § 4-21.5-4-2, this Order remains effective for ninety (90) days commencing on the date this Order is issued.

Respondents are hereby notified of their right to a hearing concerning this Order as quickly as practicable under Ind. Code § 4-21.5-4-4.

INDIANA DEPARTMENT OF INSURANCE

Date:

3/15/12



Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution to:

Disaster Adjusting & Appraisal Services
Attn: Bill Watterud
10866 McKinley Hwy
Osceola, IN 46561

James E. Kalka, Jr.
113 North Oak Street
Osceola, IN 46561

William ("Bill") J. Watterud
1410 Navajo St.
Elkhart, IN 46516

Brian Burgess
7303 Poplar Dr.
Charlestown, IN 47111

Robert W. Markette, Jr.
Gillialand & Markette, LLP
3905 Vincennes Rd., Suite 204
Indianapolis, IN 46268

Adam H. Berry
Enforcement Attorney, IDOI
311 W. Washington St., Suite 103
Indianapolis, IN 46204

Licensed Adjusters for the Insured!

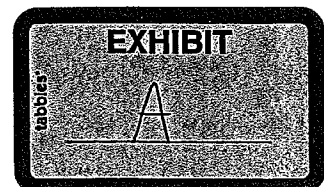
Storm Damage Victims Potential Insurance Coverage Worksheet

HOW MUCH COVERAGE DO YOU HAVE?

<input type="checkbox"/> Dwelling	\$ _____
<input type="checkbox"/> Dwelling Extensions – 20%, 25%, 50%	\$ _____
<input type="checkbox"/> Dwelling 10% Outbuilding/Detachments	\$ _____
* Detached Porches	
* Detached Decks	
* Detached Sidewalks	
* Detached Driveways	
* Detached Building, Sheds	
* Detached Fences	
<input type="checkbox"/> Dwelling 5% Debris Removal	\$ _____
<input type="checkbox"/> 5% Outbuilding Demolition	\$ _____
<input type="checkbox"/> 5% Landscaping	\$ _____
<input type="checkbox"/> 10% Ordinance and Law	\$ _____
<input type="checkbox"/> Personal Property/Contents	\$ _____
<input type="checkbox"/> 5% Contents Debris Removal	\$ _____
<input type="checkbox"/> Mold Coverage	\$ _____
<input type="checkbox"/> Fire Department Charge	\$ _____
<input type="checkbox"/> Additional Living Expense/Loss of Use	\$ _____
<input type="checkbox"/> Business Personal Property	\$ _____
<input type="checkbox"/> Computer Equipment Limitation	\$ _____
<input type="checkbox"/> Antique/Collectible Limitation	\$ _____
<input type="checkbox"/> Jewelry Limitation	\$ _____
<input type="checkbox"/> Electronic Data Processing Equipment Limitation	\$ _____
<input type="checkbox"/> Sports Card Limitation	\$ _____
<input type="checkbox"/> Property of Others Limitations	\$ _____
<input type="checkbox"/> Mortgage Company Endorsement That May Pay Monthly Mortgage Payment	\$ _____
<input type="checkbox"/> Other	\$ _____
TOTAL POTENTIAL COVERAGE	\$ _____

Resident of Henryville

**For More Information Call 888.675.0911 or Visit
www.disasteradjusting.com**



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FILED

MAR 15 2012

STATE OF INDIANA
DEPT. OF INSURANCE

MOTION FOR EMERGENCY CEASE AND DESIST ORDER

The Enforcement Division of the Indiana Department of Insurance ("Department"), pursuant to Ind. Code § 4-21.5-4 and Ind. Code § 27-1-27 et seq., files its Motion for an Emergency Cease and Desist Order against Disaster Adjusting and Appraisal Services LLC ("Disaster Adjusting"), William ("Bill") J. Watterud, James E. Kalka, Jr., and Brian Burgess (collectively "Respondents") and states:

1. On March 2, 2012, tornados caused extensive damage to persons and property in communities throughout Southern Indiana, including the town of Henryville, located in Clark County.

2. On March 10, 2012, Department Investigators David Cuthbert and Ronda Ankney were stationed at a "One Stop" Disaster Center, located on the Ivy Tech campus in Sellersburg, Indiana. Investigators Cuthbert and Ankney assisted disaster victims with insurance related matters on behalf of the State and the Department.

3. While working at the Disaster Center, Respondent Brian Burgess presented Investigators Cuthbert and Ankney a stack of advertisements for Respondent Disaster Adjusting.

4. Burgess asked Investigators Cuthbert and Ankney if he could leave the Disaster Adjusting advertisements with them and stated, "I just want people to know that we're here." Investigators Cuthbert and Ankney rejected Burgess' request, consistent with Department policy. However, Investigators Cuthbert and Ankney retained one of the advertisements.

5. The advertisement includes the following representation about Disaster Adjusting: "LICENSED BY THE DEPARTMENT OF INSURANCE." There is also a handwritten statement on the advertisement that Disaster Adjusting is a "Resident of Henryville." (See Ex. A).

6. Respondent William Watterud is the owner of, and registered agent for, Disaster Adjusting. Watterud holds a certificate of authority to act as a Public Adjuster (License No. 749495). However, Watterud is currently on probationary status pursuant to Commissioner Stephen Robertson's Order dated April 7, 2011 (Cause No. 10926-CO12-0109-002).

7. Respondent James Kalka is an agent of Disaster Adjusting. Kalka holds a certificate of authority to act as a Public Adjuster (License No. 391220). However, as of today's date, Kalka has not filed the surety bond required by Ind. Code § 27-1-27-4(e).

8. Burgess does not hold a certificate of authority, producer license, or any other authorization from the Department to engage in the business of insurance in Indiana.

9. Disaster Adjusting does not hold a certificate of authority, producer license, or any other authorization from the Department to engage in the business of insurance in Indiana.

10. Neither Watterud nor Kalka are named or referenced on the Disaster Adjusting advertisement.

11. Upon information and belief, Burgess, Watterud, Kalka, and Disaster Adjusting are not "residents" of Henryville, Indiana, as represented on the advertisement.

12. The advertisement provided to Investigators Cuthbert and Ankney is false and misleading in violation of Ind. Code 27-1-27-7(b)(1), specifically Disaster Adjusting is neither "Licensed by the Department of Insurance" nor is it a "Resident of Henryville."

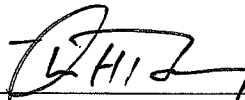
13. An emergency exists in that Disaster Adjusting, its agents or representatives continue to advertise services to disaster victims in a false and misleading manner, and Burgess, on behalf of Disaster Adjusting, is performing public adjuster services without a certificate of authority in violation of Ind. Code § 27-1-27-2.

14. Under Ind. Code § 4-21.5-4-2(a)(1), the Commissioner may, in an emergency, issue orders without notice or an evidentiary proceeding. Upon issuance of an emergency order, Respondents may request a hearing as quickly as practicable under Indiana Code § 4-21.5-4-4.

15. Respondents should be required to immediately cease and desist from: (1) transacting or soliciting any insurance business in Indiana, (2) performing public adjuster

services without the required certificate of authority issued by the Commissioner and corresponding surety bond pursuant to Ind. Code § 27-1-27 et seq., (3) advertising their services in a false or misleading manner, or (4) otherwise violating in any way the insurance laws of Indiana.

16. WHEREFORE, the Enforcement Division requests that the Commissioner issue an Emergency Cease and Desist Order against Respondents under Ind. Code § 4-21.5-4-2, and for all other necessary and proper relief.



Adam H. Berry, #28215-49
Enforcement Attorney
Indiana Dept. of Insurance, Enforcement Division

Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, IN 46204-2787
(317) 234-5888-telephone
(317) 232-5251-facsimile

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served upon the above-captioned Respondents by United States first class mail, postage prepaid, this 15th day of March 2012.



Adam H. Berry, #28215-49
Enforcement Attorney
Indiana Dept. of Insurance, Enforcement Division

Disaster Adjusting & Appraisal Services
Attn: Bill Watterud
10866 McKinley Hwy
Osceola, IN 46561

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Resident of Henryville

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